

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA,)
)
)
Plaintiff,)
) No.
v.)
) Judge
JASON EPSTEIN,)
)
Defendant.)

COMPLAINT

The United States, by Zachary T. Fardon, United States Attorney for the Northern District of Illinois, brings this action against the defendant, Jason Epstein, and for its cause of action states:

COUNT I

1. This court has jurisdiction over this matter pursuant to 28 U.S.C. § 1345.
2. The defendant Jason Epstein resides within the jurisdiction of this court.
3. Pursuant to the provisions of Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1071 - 1087ii, Epstein executed a promissory note as more fully set forth in the Certificate of Indebtedness attached as Exhibit A. A copy of the note is attached as Exhibit B.
4. Although demand has been made for payment, there remains due and owing the principal sum of \$3,894.68, plus interest to January 21, 2015, in the sum of \$3,823.87, with interest continuing to accrue on the principal at the rate of \$0.85 per day.

COUNT II

1. Paragraphs 1 through 2 are re-alleged and hereby made Paragraphs 1 through 2 in Count II.

3. Pursuant to the provisions of Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1071 - 1087ii, the defendant executed a promissory note as more fully set forth in the Certificate of Indebtedness attached as Exhibit C. A copy of the note is attached as Exhibit D.

4. Although demand has been made for payment, there remains due and owing the principal sum of \$193,801.47, plus interest to January 21, 2015 in the sum of \$81,046.48, with interest continuing to accrue on the principal at the rate of \$33.83 per day..

WHEREFORE, the United States demands judgment against the defendant Jason Epstein as follows:

a. in the amount of \$7,718.55, which represents principal and interest due through January 21, 2015, on Count I;

b. interest to continue to accrue at the rate of \$0.85 per day from January 21, 2015, until the date the court enters judgment;

c. in the amount of \$274,847.95, which represents principal and interest due through January 21, 2015 on Count II;

d. interest to continue to accrue at the rate of \$33.83 per day from January 21, 2015 until the date the court enters judgment;

e. costs of suit, including but not limited to, a filing fee of \$400.00, as authorized by 28 U.S.C. §§ 2412(a)(2) and 1914(a), and

f. for such other proper relief as this court may deem just.

Respectfully submitted,

ZACHARY T. FARDON
United States Attorney

By: s/ Scott D. Heffron

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U. S. DEPARTMENT OF EDUCATION
SAN FRANCISCO, CALIFORNIA

CERTIFICATE OF INDEBTEDNESS #1 OF 2

Jason R Epstein

[REDACTED]
Chicago, IL [REDACTED]
Account No. [REDACTED] 7088

I certify that U.S. Department of Education records show that the borrower named above is indebted to the United States in the amount stated below plus additional interest from 01/21/15.

On or about 03/10/99, the borrower executed a promissory note to secure a Federal Family Education Loan Program Consolidation loan from SUNTRUST BANK. This loan was disbursed for \$4,502.88 on 03/30/99, at 8.00 percent interest per annum. The loan obligation was guaranteed by Texas Guaranteed Student Loan Corporation, and then reinsured by the Department of Education under loan guaranty programs authorized under Title IV-B of the Higher Education Act of 1965, as amended, 20 U.S.C. 1071 et seq. (34 C.F.R. Part 682). The holder demanded payment according to the terms of the note, and credited \$907.48 to the outstanding principal owed on the loan. The borrower defaulted on the obligation on 10/14/01, and the holder filed a claim on the loan guarantee.

Due to this default, the guaranty agency paid a claim in the amount \$3,894.68 to the holder. The guarantor was then reimbursed for that claim payment by the Department under its reinsurance agreement. Pursuant to 34 C.F.R. § 682.410(b)(4), once the guarantor pays on a default claim, the entire amount paid becomes due to the guarantor as principal. The guarantor attempted to collect this debt from the borrower. The guarantor was unable to collect the full amount due, and on 09/02/09, assigned its right and title to the loan to the Department.

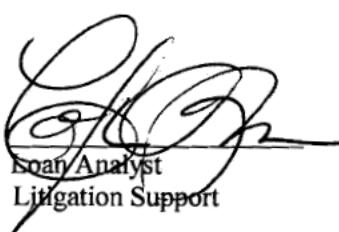
Since assignment of the loan, the Department has credited a total of \$0.00 in payments from all sources, including Treasury Department offsets, if any, to the balance. After application of these payments, the borrower now owes the United States the following:

Principal:	\$3,894.68
Interest:	\$3,823.87
Total debt as of 01/21/15:	\$7,718.55

Interest accrues on the principal shown here at the rate of \$0.85 per day.

Pursuant to 28 U.S.C. § 1746(2), I certify under penalty of perjury that the foregoing is true and correct.

Executed on: 04/02/2015



Loan Analyst
Litigation Support

EXHIBIT A

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1161553

Loan Consolidation Application and Promissory Note

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties, which may include fines or imprisonment under the United States Criminal Code and 20 U.S.C. 1057.

Section I — Personal Information — Please Read Instructions

Section II — Student Loan Information

8. Student loans I wish to have consolidated (Be sure to read the Instructions for 8C., 8D., and 8G.):

A. Creditor/Service Name & Address	B. Account Number	C. Type of Loan	D. Guarantor	E. Current Balance	F. Interest Rate	G. Is the Loan in Collection/Repossession Status?
(a) VAN RU CREDIT CORP.	9779292	G	748	4624.52	8.00%	YES NO
(b)						
(c)						
(d)						
(e)						
(f)						

9. Student loans I wish to have considered for purposes of determining my Repayment Schedule, but that I do not wish to have consolidated:
DO NOT DUPLICATE LOANS LISTED IN ITEM 8.

DO NOT INCLUDE LOANS LISTED IN ITEM C.			
A. Creditor/Service Name & Address	B. Account Number	C. Type of Loan Program	D. Estimated Current Balance
(a)			
(b)			
(c)			

Section III – Repayment Options

19. I prefer ("X" one): Level Payment Schedule Graduated Payment Schedule

Section IV – Promissory Note and Borrower Certification

1. Promise to Pay and Borrower Certification: I, the undersigned Borrower, promise to pay to you or your order a sum certain equal to the loan amount as identified in my Repayment Schedule and Disclosure Statement which will be provided to me at the time my future Customers have discharge my obligations on the loans selected for consolidation. In the event the Repayment Schedule and Disclosure Statement conflicts with my understanding of the Application and Disclosure Note, the Repayment Schedule and Disclosure Statement is controlling. I declare under penalty of perjury under laws of the United States that the information provided on this Application is true and correct. I also list below this Note before verifying it, including the terms which contain on the reverse side, even if otherwise not listed. I further certify I am not now in default on a Federal Perkins Loan (formerly National Direct Student Loans), a Federal Stafford Loan (formerly called the Subsidized Student Loan), or a Federal Unsubsidized Student Loan, or a Federal Supplemental Loan for Students (including ALAS Loans) that I have selected for consolidation. I also certify I am in receipt of my first statement of a grace period immediately preceding and not more than 30 days subsequent to any of the loans listed above that have been chosen for consolidation. In addition I certify I have no Federal Consolidation Loan Application pending with another lender. If my consolidating in another note, not held by the issuer(s) of the loan(s) I certify, for consolidation, I certify I have sought and have been unable to obtain a Federal Consolidation loan from the holder(s) of my eligible loan(s) for consolidation. I hereby authorize the holder(s) of any of my loans which make up the Federal Consolidation loan to pay the consolidating lender any refund which may be owed to me. I understand that my Federal SLS/ALAS Loans may be refinanced at the current annual variable rate as determined by the Secretary of the United States Department of Education (herein called the Secretary) in accordance with the Higher Education Act of 1964, as amended (hereinafter called the Act) as a part of this consolidation. In addition I hereby authorize my Creditor(s) listed above in Item 8 to release to the consolidating lender, for purposes of verifying student loan information in order that I may consolidate my student loans pursuant to the Act. This information is for the use of consolidating my student loans. I am mailed to an exact copy of this Note. By signing this Note, I acknowledge I understand and agree to the conditions stated on this Note, and have received an ~~exact~~ copy.

11. BORROWED MATERI

DATE

3/10/1997

NOTICE TO BORROWER: Terms of the Promissory Note continue on reverse side. Be sure you have completed Section I, II, III and signed the Promissory Note in Section IV before mailing to the Consolidating Lender.

Section V — To Be Completed By The Consolidating Lender

13. TOTAL FEDERAL SLS (\$S)		TOTAL FEDERAL SLS	TOTAL FSL	TOTAL HPSL	TOTAL FEDERAL PERIODS
<u>4502.88</u>					
14. NAME AND ADDRESS OF LENDING INSTITUTION Crestar C/o Sun IBC P.O. Box 4479 Jackson, MS 39296-4479		15. ANTICIPATED DISB. DATE <u>3130199</u>	16. FIRST PAYMENT DUE DATE <u>31499</u>	17. NEW LOAN BALANCE <u>4502.88</u>	
		18. TERM <u>180 mo</u>	19. RATE <u>8.00</u>	20. TELEPHONE NUMBER <u>601-487-4800</u>	21. LENDER CODE <u>AT1111</u>
22. SIGNATURE OF AUTHORIZED LENDING OFFICIAL		PRINT OR TYPE NAME AND TITLE <u>John C. Smith</u>			

Return white and yellow copies to the Consolidating Lender. Copyright 1995 United States Bancorp, Inc. All Rights Reserved



20-1128C1075

CO₂

EXHIBIT B

Additional Terms of the Promissory Note for a Consolidation Loan

II. Date Note Becomes Due: The repayment period on this loan begins when the loan is disbursed. The first payment is due within 10 days of disbursement, except that I may be entitled to deferral of principal until a date set forth in the section titled "Deferment." Payments will be made in monthly installments in accordance with the Repayment Schedule which will be provided to me at the time my former Lenders have discharged my obligations on the loans selected for consolidation.

III. Interest: I agree to pay simple interest on the unpaid principal balance from the date the repayment period begins until the entire principal sum and accrued interest are paid in full. I will be responsible for the payment of all the interest that accrues on this loan in accordance with the terms of the repayment schedule. This Federal Consolidation Loan Note shall bear interest at an annual rate, which is fixed for the term of the loan, on the unpaid principal balance of the loan which is equal to the weighted average of the interest rates on the loans consolidated, rounded to the nearest whole percent, except that such interest rate shall not be less than nine percent (9%). If any of my Federal SLS (formerly called Student PLUS or SLD) loans are to be consolidated, they will first be re-borrowed at the current unpaid rate as determined by the Secretary and authorized by the Act. If that rate is lower than my current fixed rate and then be immediately consolidated into this account. I will not receive any separate document from evidencing re-borrowed loans.

IV. Guarantees/Loes: I will not be charged a guarantee fee for my consolidated loans.

V. Default: I will be in default and you have the right to give me notice that the whole outstanding principal balance plus any unpaid interest I owe is due and payable at once if I fail to make an installment payment when due or to meet other terms of the Promissory Note under current law, where the Guarantor finds it reasonable to conclude that the Borrower no longer intends to honor the obligation to repay, provided that this failure persists for 180 days for a loan repayable in monthly installments or 210 days for a loan repayable in less frequent installments. After sending such notice to me, you will be the right without further notice, to take the outstanding balance out of my checking and/or savings account I have with you if not prohibited by law. If I default, I will still be required to pay interest on this loan as provided in interest Paragraph III from the date of default. The Lender may deduct the entire unpaid amount of the loan, including interest, immediately due and payable the Lender, Holder, or guarantee agency may disclose to schools I have attended (or am currently attending) the information about the default, and I will be ineligible to receive assistance from any of the following federal programs: Federal Pell Grant, Byrd Scholarship, Supplemental Educational Opportunity Grant, Federal Work Study, State Student Incentive Grant, Federal Perkins Loan (formerly called National Defense Direct Student Loans), Federal Stafford Loan (formerly called the G4 Program), Federal Supplemental Loans for Students (SLs), Federal PLUS loans or Federal Consolidation loans. A default also makes me ineligible for the benefits if my original loan now qualify for as described under "Deferment," Paragraph VIII.

VI. Late Charges and Foreclosure: If any payment has not reached you within 10 days of the due date, and I fail to provide written evidence that you are unable to accept the payment deferred as described under "Deferral," Paragraph IV, you may, if permitted by law, bill me for a late charge, the maximum fees permitted, which rate charged shall not exceed the rate I am charged for the late payment. If I fail to pay any of the above fees and late charges, you may, pay all charges and other costs, including attorney's fees, collection costs, court costs, attorney and court costs that are required to collect, and reasonable expenses for the collection of this loan, which will be collected in accordance with the regulations for the collection of this loan which will be collected in accordance with the Fair Debt Collection Practices Act. I agree that I will be responsible to the extent authorized under such Act.

VII. Additional Agreements: I understand that the purpose of this Federal Consolidation loan will be to consolidate, among other loans listed on my Application for the purpose of paying off the loan. Any notice required to be given to me will be given to me via mail, by first class mail to the last address you have for me. Your failure to cause or assist me to comply with any term of this Note is not a waiver of your rights. No provision of this Note can be waived or modified except in writing. If the Guarantor is required under its guarantee to repay my loans(s) because I have defaulted, the Guarantor will become the owner of this Note and any creditor will have all the rights of the original Lender to enforce this Note against me. I understand that I must repay this Note even though I may be under 18 years of age. This Note is not effective until it is accepted by you. In this Note the words "I, me, and my" mean the Borrower identified in the Application. You, your, and yours mean the Lender and any other owner of the Note. If the Borrower becomes totally and permanently disabled, or dies, his/her obligation to repay this loan will be cancelled. I agree to notify you of a change in my name, address, or any applicable school enrollment status within 10 days I have not made any false written statement with regard to the loan. If any provision of this Note is determined to be unenforceable or is prohibited by law, such provision

shall be considered ineffective without invalidating the remaining parts of the Note.

If the Lender sells the Note or otherwise transfers the right to receive payment, I must be sent a written notification which sets out my obligations to the party to whom my loan was sold. I will have the same rights and responsibilities with the subsequent Holder that I have with regard to the Lender. This Note is not intended to be a negotiable instrument under the Uniform Commercial Code as adopted by me, the state, and a subsequent Holder of the Note cannot be a holder in due course. The proceeds of this loan are to be used solely to discharge my outstanding student loan obligations described in the consolidation of loans as consolidated section of this Application and Promissory Note. The terms of this loan will be interpreted in accordance with the Higher Education Act of 1998 as amended and state law and regulations which govern the U.S. Armed Forces Consolidation Program.

VIII. Deferrals: I am entitled to deferrals under the Higher Education Act, as amended, and its regulations. In order to receive a deferral, I must request the deferral and provide you with all documentation required to establish my eligibility. I understand that I must meet the following condition entitling me to the deferral no longer than 10% of the principal on my loan may be deferred during the repayment period if I am not in default and I comply with applicable federal loan consolidation regulations published pursuant to Section 1289 of Title B, Part B of the Higher Education Act of 1998, as amended, in the following circumstances:

1. While I am engaged in:
 - a. full-time study at a college that is participating in the Title IV, Part B Program, unless I am not a citizen or a national of the United States and attending a college outside the United States, and if I receive a loan under the Federal Direct Federal Stafford Loan Program for the enrollment period;
 - b. full-time study at a school participating in the Title IV, Part B Program, unless I am not a citizen or a national of the United States and attending a school outside the United States, or enrolled in full-time study at an institution of higher education of a vocational school that is operated by an agency of the Federal government (e.g. the Service Academy) or program;
 - c. an eligible graduate fellowship program; or
 - d. an eligible rehabilitation training program for disabled individuals;
2. For periods not exceeding 24 months while I am unemployed seeking, but unable to find full-time employment in the United States;
3. Up to three years, during which I am temporarily totally disabled or during which I am unable to secure employment because I am caring for a child, or dependent who is temporarily totally disabled.

IX. Forbearance: If I am unable to make the scheduled payment for reasons of hardship, I may be eligible for forbearance of payments of the loans as provided in the Guarantor's regulations and at the discretion of the Lender. I must notify my Lender when the condition entitling me to the forbearance no longer exists.

X. Repayment by Department of Defense: Under certain circumstances, military personnel may have their loans repaid by the Secretary of Defense in accordance with Section 1289 of the Department of Defense Authorization Act, fiscal year 2011, note: Questions concerning the program should be addressed to the local recruiter for the service involved. This is a recruitment program and does not entitle to forbearance by an individual or those not eligible for enrollment in the Armed Forces.

XI. Repayments: I will repay the total amount due on this Promissory Note in periodic installments with interest on the unpaid balance from the due date of this Promissory Note until the loan is paid in full. If the whole loan is due as described in Paragraph V, prior to the due date of this Promissory Note, you will send to me a Repayment Schedule and Disclosure Statement which establishes the particular repayment term that will become part of this Promissory Note. However, if I qualify for the benefit described under "Deferral" in this Promissory Note, and the Lender grants forbearance, those periods will not be included in the repayment period mentioned on the Repayment Schedule and Disclosure Statement.

I understand that my status as an eligible Borrower under this loan Consolidation Program under Section 1289 of the Act entitles me to my receipt of this loan, except with respect to loans received after the receipt of this loan.

XII. Prepayment: I may, at my option and without penalty, prepay all or any part of the principal or accrued interest of this loan at any time. If I do so, I will be entitled to a rebate of any unearned interest that I have paid.

XIII. Credit Bureau Notifications: Information concerning the amount of this loan and its repayment will be reported to one or more credit bureau organizations. If I default on this loan, the Lender, Holder, or Guarantor will also report the default to all national credit bureau organizations. This may significantly and adversely affect my ability to obtain other credit.

NOTICE TO BORROWER: BY YOUR SIGNATURE ON THE OTHER SIDE OF THIS APPLICATION AND PROMISSORY NOTE YOU ARE AGREEING TO THE ABOVE TERMS AND CERTIFICATION.

**U. S. DEPARTMENT OF EDUCATION
SAN FRANCISCO, CALIFORNIA**

CERTIFICATE OF INDEBTEDNESS #2 OF 2

Jason R Epstein

Chicago, IL
Account No. 7088

I certify that U.S. Department of Education records show that the borrower named above is indebted to the United States in the amount stated below plus additional interest from 01/21/15.

On or about 06/12/06, the borrower executed a promissory note to secure a Direct Consolidation loan from the U.S. Department of Education. This loan was disbursed for \$75,556.12 & \$95,748.35 on 06/30/06, at 6.375 percent interest per annum. The loan was made by the Department under the William D. Ford Federal Direct Loan Program under Title IV, Part D of the Higher Education Act of 1965, as amended, 20 U.S.C. 1087a et seq. (34 C.F.R. Part 685). The Department demanded payment according to the terms of the note, and the borrower defaulted on the obligation on 09/02/08. Pursuant to 34 C.F.R. § 685.202(b), a total of \$22,497.00 in unpaid interest was capitalized and added to the principal balance.

The Department has credited a total of \$0.00 in payments from all sources, including Treasury Department offsets, if any, to the balance. After application of these payments, the borrower now owes the United States the following:

Principal: \$193,801.47
Interest: \$81,046.48

Total debt as of 01/21/15: \$274,847.95

Interest accrues on the principal shown here at the rate of \$33.83 per day.

Pursuant to 28 U.S.C. § 1746(2), I certify under penalty of perjury that the foregoing is true and correct.

Executed on: 04/02/2025


G. B.

EXHIBIT C

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JUN 15 2006

Borrower's Name Wilson R. SteinBorrower's Social Security Number 7088**SECTION E: Repayment Plan Selection**

Carefully read the repayment plan information in "Direct Consolidation Loans" that accompanies this application and promissory note to understand your repayment plan options. Then, complete this section to select your repayment plan. Remember-

- All student loans must be repaid under the same repayment plan. Parent PLUS loans may be repaid under a different repayment plan.
- If you select the Income Contingent Repayment Plan, you must complete the "Repayment Plan Selection" and "Income Contingent Repayment Plan Consent to Disclosure of Tax Information" forms that accompany this application and promissory note. Your selection cannot be processed without these forms.
- If you want to consolidate a defaulted student loan(s) and you have not made a satisfactory repayment arrangement with your current holder(s), you must select the Income Contingent Repayment Plan.

31. Place an "X" in the box that corresponds to your repayment plan selection for each loan type. Note that Direct PLUS Consolidation Loans cannot be repaid under the Income Contingent Repayment Plan.

Income Contingent	Standard	Extended	Graduated
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STUDENT LOANS *Direct Subsidized and Unsubsidized Consolidation Loans*

Not Available



PARENT LOANS *Direct PLUS Consolidation Loans*

Promise to Pay:

I promise to pay to the U.S. Department of Education (ED) all sums (hereafter "loan" or "loans") disbursed under the terms of this Promissory Note (note) to discharge my prior loan obligations, plus interest, and other fees that may become due as provided in this note. If I fail to make payments on this note when due, I will also pay collection costs including but not limited to attorney's fees and court costs. If ED accepts my application, I understand that ED will on my behalf send funds to the holder(s) of the loan(s) selected for consolidation in order to pay off this loan(s). I further understand that the amount of this loan will equal the sum of the amount(s) that the holder(s) of the loan(s) verified as the payoff balance(s) on that loan(s) selected for consolidation. My signature on this note will serve as my authorization to pay off the balance(s) of the loan(s) selected for consolidation as provided by the holder(s) of such loan(s).

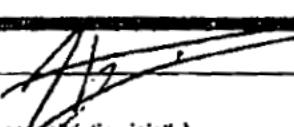
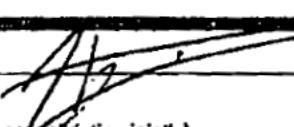
This amount may be more or less than the estimated total balance I have indicated in Section D. Further, I understand that if any collection costs are owed on the loans selected for consolidation, these costs may be added to the principal balance of the consolidation loan.

I understand that this is a Promissory Note. I will not sign this note before reading it, including the text on the reverse side, even if I am

advised not to read the note. I am entitled to an exact copy of this note and a statement of the Borrower's Rights and Responsibilities. My signature certifies that I have read, understand, and agree, to the terms and conditions of this note, including the Borrower Certification and Authorization printed on the reverse side and the accompanying Borrower's Rights and Responsibilities.

If consolidating jointly with my spouse, we agree to the same terms and conditions contained in the Borrower Certification and Authorization. In addition, we confirm that we are legally married to each other and understand and agree that we are and will continue to be held jointly and severally liable for the entire amount of the debt represented by the Federal Direct Consolidation Loan without regard to the amounts of our individual loan obligations that are consolidated and without regard to any change that may occur in our marital status. We understand that this means that one of us may be required to pay the entire amount due if the other is unable or refuses to pay. We understand that the Federal Direct Consolidation Loan we are applying for will be cancelled only if both of us qualify for cancellation. We further understand that we may postpone repayment of the loan only if we provide ED with written requests that confirm Federal Direct Consolidation Loan Program deferment or forbearance eligibility for both of us at the same time.

I UNDERSTAND THAT THIS IS A FEDERAL LOAN THAT I MUST REPAY.

32. Signature of Borrower Date 6/10/06Signature of Spouse (if consolidating jointly) 

Date _____